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LIMA FOR USDA/FAS EPHILHOWER
COMMERCE FOR JANGLIN
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SUBJECT: AG MINISTER SEEKS ENHANCED BILATERAL COOPERATION

REF: 06 LA PAZ 3096

SUMMARY

¶1. (SBU) In an April 4 meeting with the Ambassador, Agriculture Minister Susana Rivero sought enhanced bilateral cooperation, noting that assistance could help ensure the success of a comprehensive agricultural development plan. Rivero touched briefly on new GOB efforts to "rationalize" coca, noting that this was a move she supported, but deferred to Vice Minister of Coca and Alternative Development Felix Barra, who also attended the meeting. The Ambassador assured Rivero of USG commitment to bilateral assistance and said the GOB needed to demonstrate quickly to a skeptical audience that its approach to coca can produce results. End summary.

ENHANCED COOPERATION

¶2. (SBU) In an April 4 meeting with the Ambassador and USAID/Bolivia Director Michael Yates, Agriculture Minister Susana Rivero sought enhanced bilateral cooperation, noting that assistance could help ensure the success of a comprehensive agricultural development plan, due to be released in 15 days. According to Rivero, the GOB will place new emphasis on integrated rural development, focusing on Bolivia's poorest municipalities and encouraging production of high-value products for well-defined domestic and international markets. The plan will also address outstanding land redistribution issues (reftel) and encourage the sustainable management of forests turned over to local communities and indigenous groups.

13. (SBU) In response, the Ambassador noted that USAID agriculture, forestry, and integrated alternative development programs are already closely aligned with GOB objectives. The Ambassador told Rivero that USAID works directly with small farmers and indigenous communities to encourage the production of high-value products and pointed out that USAID assistance to the forestry sector has helped Bolivia become the world leader in certified natural tropical forests; he also noted that USAID integrated alternative development programs have generated significant growth in licit crop cultivation and exports, providing much-needed jobs in economically depressed areas.

COCA RATIONALIZATION

14. (SBU) Rivero touched briefly on new GOB efforts to "rationalize" coca, noting that this was a move she supported, but deferred to Vice Minister of Coca and Alternative Development Felix Barra, who also attended the meeting. Barra assured the Ambassador that the GOB appreciated USG support and said the GOB had begun a "strong effort" to reduce illicit coca cultivation. Barra asserted that GOB calls for voluntary reductions in coca production had produced "good results" but admitted that growth in illicit cultivation in the Yungas remained a key concern. The vice minister urged enhanced alternative development efforts, particularly in the La Asunta region of the Yungas, to strengthen economic opportunities and prevent communities from turning to coca as a means of generating income.

15. (SBU) The Ambassador acknowledged Barra's assertions but noted that reports suggest a gradual increase in coca cultivation, which could have negative implications not only for Bolivia and the United States, but also for neighboring countries like Brazil. The Ambassador re-iterated USG willingness to work with the GOB to control and reduce illicit coca cultivation but pointed out that the USG needs to see results in attempts to reduce coca production through negotiations with cocaleros.

COMMENT

16. (SBU) Rivero's strong interest in enhanced bilateral cooperation was unexpected, given her emphasis on government-led agricultural development and "new policies" for land distribution. The Ambassador responded positively to Rivero's request for a detailed USAID briefing and assured the minister of USG commitment to bilateral assistance. He also said the GOB needs to demonstrate quickly that its new approach to coca can be successful, adding that USAID would consider returning to Caranavi -- but only if the GOB provides physical and judicial security, returns 20,000 confiscated electric poles, and provides compensation for last year's seizure of equipment at the USAID-supported Copacabana coffee plant. End comment.
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